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We deal in all the major disciplines and work with clients ranging from global organizations, government and non-profit businesses, to micro, small and medium organizations, private individuals and entrepreneurs.

At K.P. Associates we are followers of the belief that our success will come from our client's success. Therefore, we ensure a great degree of partner involvement and availability, attention to detail, and responsiveness towards client sensitivities.

## FACELESS ASSESSMENT UNDER THE INCOME TAX ACT

The Central Board of Direct Taxes (CBDT) *vide* notification dated 13.08.2020 notified the scheme for FACELESS ASSESSMENT (“Scheme”). The Scheme envisages carrying out of assessment through an assessment unit which may complete the assessment with assistance from other units i.e. verification unit, technical unit and review unit (“Units”).

### SALIENT FEATURES OF THE SCHEME:

- ⇒ The **National E Assessment Centre** will assign the case for assessment to an assessment unit in a **Regional E-Assessment Centre**.
- ⇒ All communications (including notices and orders) with the Assessee shall be carried out by the National E-Assessment Centre, and through electronic mode only.
- ⇒ The Assessee will be provided **15 days’ time to respond to the assessment notice** from the date of its receipt.
- ⇒ There can be a deeper/forensic scrutiny of the records of an Assessee by the **Technical Unit**. In this regard, while carrying out assessment under the Scheme, the technical unit may also use data analytics.
- ⇒ Before passing the final assessment order, a **Draft Assessment Order** may be issued by the National E Assessment Centre seeking response from the Assessee.
- ⇒ Upon completion of the assessment in the manner provided in the Scheme, the electronic records of an Assessee will be provided to its Assessing officer.

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**ANALYSIS OF THE NEW SCHEME**

The new Scheme of FACELESS ASSESSMENT is a **departure from the way the assessment proceedings** were previously carried out by the Assessing Officers. This new system of assessment **eliminates physical interaction between an Assessee and the Income Tax Department.**

FACELESS ASSESSMENT also aims at **abolition of territorial jurisdiction of an Assessing Officer** inasmuch as the assessment can now be carried out by any assessment unit located anywhere in the country.

With the introduction of the FACELESS ASSESSMENT, the Assesseees as well as their authorized representatives will now be required to:

- ❖ Ensure that correct/updated email address and other contact details are available with the Income Tax Department.
- ❖ Be vigilant with the notices issued by the Income Tax Department, and ensure timely compliance with such notices.
- ❖ Ensure that the reply to the notice is correct and clearly explains the stand of an Assessee
- ❖ Ensure that the records (such as financial statements, bills and vouchers, etc.) are maintained in electronic form as well.



**DISCLAIMER:**

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